

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BLUE GRASS RURAL)	
ELECTRIC COOPERATIVE CORPORATION)	
FOR AN ADJUSTMENT TO ITS RETAIL)	CASE NO. 94-394
ELECTRIC POWER TARIFFS)	

O R D E R

Blue Grass Rural Electric Cooperative Corporation ("Blue Grass") initiated this case to pass to its customers a decrease in power costs proposed by its wholesale power supplier, East Kentucky Power Cooperative, Inc. ("East Kentucky"). On July 26, 1995, the Commission approved changes in Blue Grass's retail rates designed to reflect an annual wholesale power cost decrease from East Kentucky of \$2,130,947.

The Commission has now concluded the rehearing phase of the East Kentucky rate case and has determined that its rates should be decreased further. This will result in an additional wholesale power cost decrease for Blue Grass of \$178,144, for an overall decrease of \$2,309,091. Accordingly, Blue Grass's retail rates have been reduced, as set forth in Appendix A of this Order, to pass this further reduction of \$178,144 to its customers effective with service rendered on and after March 1, 1996.

IT IS THEREFORE ORDERED that:


1. The rates in Appendix A, attached hereto and incorporated herein, are approved for service rendered on and after March 1, 1996.

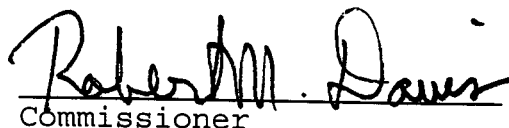
2. Within 20 days of the date of this Order, Blue Grass shall file with the Commission revised tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky this 28th day of February, 1996.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 94-394 DATED FEBRUARY 28, 1996.

The following rates and charges are prescribed for the customers in the area served by Blue Grass Rural Electric Cooperative Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

GS-1 (RESIDENTIAL, FARM AND NON-FARM)

Rate:

All KWH Per Month	\$.052300 Per KWH
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C-1 - COMMERCIAL AND INDUSTRIAL LIGHTING & POWER SERVICE

Energy Charge (Under 50 KW)

First 3,000 KWH	\$.056550 Per KWH
All Over 3,000 KWH	.051750 Per KWH

LP - #1 - LARGE POWER

Energy Charge (51-500 KW)

First 10,000 KWH	\$.041470 Per KWH
Next 15,000 KWH	.034770 Per KWH
Next 50,000 KWH	.029170 Per KWH
Next 75,000 KWH	.026870 Per KWH
All Over 150,000 KWH	.025170 Per KWH

LP - #2 - LARGE POWER

Rate:

Energy Charge (Over 500 KW)

First	3,500 KWH	\$.042300 Per KWH
Next	6,500 KWH	.034030 Per KWH
Next	140,000 KWH	.028900 Per KWH
Next	200,000 KWH	.027350 Per KWH
Next	400,000 KWH	.026430 Per KWH
Next	550,000 KWH	.025510 Per KWH
All Over 1,300,000 KWH		.020240 Per KWH

SECURITY LIGHTS

Rate Per Light Per Month:

175 Watt Mercury Vapor	\$4.51
400 Watt Mercury Vapor	6.43
100 Watt High Pressure Sodium	4.84
250 Watt High Pressure Sodium	6.69

STREET LIGHTING

Rate Per Light Per Month:

70 Watt High Pressure Sodium (ornamental)	\$5.03
100 Watt High Pressure Sodium (ornamental)	6.45
250 Watt High Pressure Sodium (ornamental)	8.43
70 Watt High Pressure Sodium (colonial) (15' Mounting Height)	7.81

GS-2 OFF-PEAK RETAIL MARKETING RATE
(ETS)

Rate:

All KWH Per Month	\$.031380 Per KWH
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LARGE INDUSTRIAL RATE
SCHEDULE C-1

Monthly Rate:

Energy Charge	\$.027580 Per KWH
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LARGE INDUSTRIAL RATE
SCHEDULE C-2

Monthly Rate:

Energy Charge

\$.022580 Per KWH

LARGE INDUSTRIAL RATE
SCHEDULE C-3

Monthly Rate:

Energy Charge

\$.021580 Per KWH

LARGE INDUSTRIAL RATE
SCHEDULE B-1

Monthly Rate:

Energy Charge

\$.027785 Per KWH

LARGE INDUSTRIAL RATE
SCHEDULE B-2

Monthly Rate:

Energy Charge

\$.022785 Per KWH